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7 Attorneys for Complainant

8 **BEFORE THE**
9 **CALIFORNIA BOARD OF ACCOUNTANCY**
10 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

11 In the Matter of the Accusation Against:

12 DAWN E. DIAZ
a.k.a. DAWN E. PARRISH
13 20460 Samuel Drive
Saugus, CA 91350

14 Certified Public Accountant Certificate
15 No. 50152

16 Respondent.

Case No. AC-2006-6

OAH No. L-2006090049

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

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19 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the
20 above-entitled proceedings that the following matters are true:

21 **PARTIES**

22 1. Carol Sigmann (Complainant) is the Executive Officer of the Board of
23 Accountancy (Board). Complainant brought this action solely in her official capacity and is
24 represented in this matter by Bill Lockyer, Attorney General of the State of California, by Barry
25 G. Thorpe, Deputy Attorney General.

26 2. Respondent Dawn E. Diaz, a.k.a. Dawn E. Parrish (Respondent) is
27 representing herself in this proceeding and has chosen not to exercise her right to be represented
28 by counsel.

1 3. On or about March 12, 1988, the Board of Accountancy issued Certified
2 Public Accountant Certificate No. 50152 to Dawn E. Diaz, a.k.a. Dawn E. Parrish. The current
3 and inactive Certificate will expire on July 31, 2007, unless renewed.

4 **JURISDICTION**

5 4. Accusation No. AC-2006-6 was filed before the Board, and is currently
6 pending against Respondent. The Accusation and all other statutorily required documents were
7 properly served on Respondent on September 15, 2006. Respondent timely filed her Notice of
8 Defense contesting the Accusation. A copy of Accusation No. AC-2006-6 is attached as
9 exhibit A and incorporated herein by reference.

10 **ADVISEMENT AND WAIVERS**

11 5. Respondent has carefully read, and understands the charges and allegations
12 in Accusation No. AC-2006-6. Respondent has also carefully read, and understands the effects
13 of this Stipulated Settlement and Disciplinary Order.

14 6. Respondent is fully aware of her legal rights in this matter, including the
15 right to a hearing on the charges and allegations in the Accusation; the right to be represented by
16 counsel at her own expense; the right to confront and cross-examine the witnesses against her;
17 the right to present evidence and to testify on her own behalf; the right to the issuance of
18 subpoenas to compel the attendance of witnesses and the production of documents; the right to
19 reconsideration and court review of an adverse decision; and all other rights accorded by the
20 California Administrative Procedure Act and other applicable laws.

21 7. Respondent voluntarily, knowingly, and intelligently waives and gives up
22 each and every right set forth above.

23 **CULPABILITY**

24 8. Respondent admits the truth of each and every charge and allegation in
25 Accusation No. AC-2006-6.

26 9. Respondent agrees that her Certified Public Accountant Certificate is
27 subject to discipline and she agrees to be bound by the Board's imposition of discipline as set
28 forth in the Disciplinary Order below.

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1 Respondent shall engage in no activities for which certification as a Certified Public Accountant
2 or Public Accountant is required as described in Business and Professions Code, Division 3,
3 Chapter 1, Section 5051.

4 2. **Obey All Laws.** Respondent shall obey all federal, California, other
5 states' and local laws, including those rules relating to the practice of public accountancy in
6 California.

7 3. **Submit Written Reports.** Respondent shall submit, within ten (10) days
8 of completion of the quarter, written reports to the Board on a form obtained from the Board.
9 The Respondent shall submit, under penalty of perjury, such other written reports, declarations,
10 and verification of actions as are required. These declarations shall contain statements relative to
11 Respondent's compliance with all the terms and conditions of probation. Respondent shall
12 immediately execute all release of information forms as may be required by the Board or its
13 representatives.

14 4. **Personal Appearances.** Respondent shall, during the period of probation,
15 appear in person at interviews/meetings as directed by the Board or its designated
16 representatives, provided such notification is accomplished in a timely manner.

17 5. **Comply With Probation.** Respondent shall fully comply with the terms
18 and conditions of the probation imposed by the Board and shall cooperate fully with
19 representatives of the Board of Accountancy in its monitoring and investigation of the
20 Respondent's compliance with probation terms and conditions.

21 6. **Practice Investigation.** Respondent shall be subject to, and shall permit,
22 practice investigation of the Respondent's professional practice. Such a practice investigation
23 shall be conducted by representatives of the Board, provided notification of such review is
24 accomplished in a timely manner.

25 7. **Comply With Citations.** Respondent shall comply with all final orders
26 resulting from citations issued by the Board of Accountancy.

27 8. **Tolling of Probation For Out-of-State Residence/Practice.** In the event
28 Respondent should leave California to reside or practice outside this state, Respondent must

1 notify the Board in writing of the dates of departure and return. Periods of non-California
2 residency or practice outside the state shall not apply to reduction of the probationary period, or
3 of any suspension. No obligation imposed herein, including requirements to file written reports,
4 reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise
5 affected by such periods of out-of-state residency or practice except at the written direction of the
6 Board.

7 **9. Violation of Probation.** If Respondent violates probation in any respect,
8 the Board, after giving Respondent notice and an opportunity to be heard, may revoke probation
9 and carry out the disciplinary order that was stayed. If an accusation or a petition to revoke
10 probation is filed against Respondent during probation, or if the Attorney General's Office has
11 been requested by the Board to prepare an accusation or petition to revoke probation, the Board
12 shall have continuing jurisdiction until the matter is final, and the period of probation shall be
13 extended until the matter is final.

14 **10. Completion of Probation.** Upon successful completion of probation,
15 Respondent's license will be fully restored.

16 **11. Community Service.** Respondent shall perform two-hundred (200) hours
17 of community service for the Volunteer Income Tax Assistance (VITA) program. Respondent
18 shall complete this community service by April 15, 2008. Respondent shall provide proof of
19 completion of this community service by May 15, 2008. Respondent is entirely responsible for
20 her performance in the program and the Board assumes neither express nor implied responsibility
21 for Respondent's performance nor for the product or services rendered.

22 **12. Ethics Course/Examination.** Respondent shall take and pass with a score
23 of 90 percent or better a Board approved ethics examination within the first six (6) months of
24 probation.

25 If Respondent fails to pass said examination within the time period provided or
26 within two attempts, Respondent shall so notify the Board and shall not practice until
27 Respondent takes and successfully passes said exam, has submitted proof of same to the Board,
28 and has been notified by the Board that she may resume practice. Failure to pass the required

1 examination no later than 100 days prior to the termination of probation shall constitute a
2 violation of probation.

3 Notwithstanding any other provision of this probation, failure to take and pass this
4 examination within five years of the effective date of this order constitutes a separate cause for
5 discipline of Respondent's license.

6 13. **Relinquish Certificate.** Respondent shall relinquish and shall forward or
7 deliver her certificate or permit to practice to the Board office within 10 days of the effective date
8 of this decision and order.

9 ACCEPTANCE

10 I have carefully read the Stipulated Settlement and Disciplinary Order. I
11 understand the stipulation and the effect it will have on my Certified Public Accountant
12 Certificate. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly,
13 and intelligently, and agree to be bound by the Decision and Order of the Board.

14 DATED: 10/4/06.

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16

17 DAWN E. DIAZ A.K.A. DAWN E. PARRISH
18 Respondent

19 ENDORSEMENT

20 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
21 submitted for consideration by the Board.

22 DATED: 10-16-06.

23 BILL LOCKYER, Attorney General
24 of the State of California

25 
26 BARRY G. THORPE
27 Deputy Attorney General

28 Attorneys for Complainant

**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

DAWN E. DIAZ
a.k.a. DAWN E. PARRISH
20460 Samuel Drive
Saugus, CA 91350

Certified Public Accountant Certificate No. 50152

Respondent.

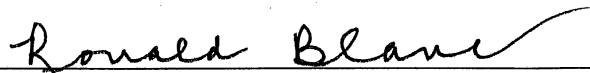
Case No.AC-2006-6

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy of the Department of Consumer Affairs, as its Decision in the above-entitled matter.

This Decision shall become effective on D January 7, 2007

It is so ORDERED on December 8, 2006.



President

For The CALIFORNIA BOARD OF ACCOUNTANCY
CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS

1 BILL LOCKYER, Attorney General
of the State of California
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STATE OF CALIFORNIA**

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12 In the Matter of the Accusation Against:

Case No. AC-2006-6

13 DAWN E. DIAZ
a.k.a. DAWN E. PARRISH
14 20460 Samual Drive
Saugus, CA 91350

A C C U S A T I O N

15 Certified Public Accountant Certificate No. 50152

16 Respondent.

17
18 Complainant alleges:

19 **PARTIES**

20 1. Carol Sigmann (Complainant) brings this Accusation solely in her official
21 capacity as the Executive Officer of the California Board of Accountancy (Board), Department of
22 Consumer Affairs.

23 2. On or about March 12, 1988, the Board issued Certified Public Accountant
24 Certificate No. 50152 to Dawn E. Diaz, a.k.a. Dawn E. Parrish (Respondent). Effective
25 August 1, 1999, with continuing education requirements not met, the Certificate was renewed
26 "inactive." The current and inactive Certified Public Accountant Certificate will expire on
27 July 31, 2007, unless renewed.

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JURISDICTION

3. This Accusation is brought before the Board under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.

4. Section 5100 states, in pertinent part:

"After notice and hearing the board may revoke, suspend, or refuse to renew any permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080), or may censure the holder of that permit or certificate for unprofessional conduct that includes, but is not limited to, one or any combination of the following causes:

....

(h) Suspension or revocation of the right to practice before any governmental body or agency.

....

(l) The imposition of any discipline, penalty, or sanction on a registered public accounting firm or any associated person of such firm, or both, or on any other holder of a permit, certificate, license, or other authority to practice in this state, by the Public Company Accounting Oversight Board or the United States Securities and Exchange Commission, or their designees under the Sarbanes-Oxley Act of 2002 or other federal legislation."

5. Section 118, subdivision (b), and 5109 provides that the suspension, expiration, surrender, or cancellation of a license shall not deprive the Board of jurisdiction to proceed with a disciplinary action during the period within which the license may be renewed, restored, reissued or reinstated.

6. Section 5107, subdivision (a), states, in pertinent part:

"The executive officer of the board may request the administrative law judge, as part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate found to have committed a violation or violations of this chapter to pay to the board all

///

1 reasonable costs of investigation and prosecution of the case, including, but not limited to,
2 attorneys' fees. The board shall not recover costs incurred at the administrative hearing."

3 FIRST CAUSE FOR DISCIPLINE

4 **(Denial of Right to Practice Before a Governmental Body or Agency)**

5 7. Respondent is subject to disciplinary action under Section 5100,
6 subdivision (h), pursuant to an Order entered by the United States Securities and Exchange
7 Commission (Commission). The facts and findings are summarized below.

8 *The Commission's Order*

9 8. On or about April 28, 2005, in a matter entitled *In the Matter of Dawn*
10 *Diaz, CPA* (Administrative Proceeding File No. 3-11918), the Commission entered an Order,¹ in
11 which is made various findings and Orders against Respondent. The Order represents the final
12 resolution of the Commission's case.

13 9. The action arose out of Respondent's accounting, reporting and
14 management responsibilities as Chief Financial Officer of Rexhall Industries, Inc. (Rexhall) and
15 her use of an invalid cost of goods sold inventory method to create a misstatement of corporate
16 earnings causing the filing of a misleading first quarterly report for the year 2002 (Form 10-Q for
17 the quarter).

18 10. The Commission's Order found that Respondent engaged in improper
19 professional conduct within the meaning of Rule 102(e)(1)(ii) of the Commission's rules of
20 Practice for causing Rexhall's violations or for violating the following sections:

21 a. Reporting Violations. Section 13(a) of the Exchange Act and Rules 12b-
22 20 and 13a-13 thereunder (participating in preparing and signing the quarterly report that
23 included the overstated net income and earnings);

24 b. Record-Keeping Provisions. Section 13(b)(2)(A) of the Exchange Act and
25

26 1. The order is captioned *Order Instituting Public Administrative and Cease-and-Desist*
27 *Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934 and Rule 102(e)*
28 *of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions*
and a Cease-and-desist Order.

1 Rule 13b2-1 thereunder (direct result of actions taken by Respondent for the first quarter of
2 2002).

3 c. Internal Controls Provision. Sections 13(b)(2)(B) and 13(b)(5) of the
4 Exchange Act (Respondent failed to assure maintenance of an adequate system of internal
5 accounting controls to properly account for inventory).

6 11. The Order provided, in relevant part, that:

7 a. Respondent shall cease and desist from causing any violations and any
8 future violations of violated sections of the Exchange Act and Rules and from committing or
9 causing any violations and any future violations of Section 13(b)(5) of the Exchange Act and
10 Rules 13b2-1 thereunder.

11 b. Respondent is denied the privilege of appearing or practicing before the
12 Commission as an accountant for a period of three years.

13 **SECOND CAUSE FOR DISCIPLINE**

14 **(Imposition of Discipline or Sanctions by the SEC)**

15 12. Respondent is subject to disciplinary action under Section 5100,
16 subdivision (l), in that the Commission's Order constitutes the imposition of discipline or
17 sanctions by the Commission against Respondent, as more fully set forth above in paragraphs 7 -
18 11.

19 **PRAYER**

20 WHEREFORE, Complainant requests that a hearing be held on the matters herein
21 alleged, and that following the hearing, the California Board of Accountancy issue a decision:

22 1. Revoking or suspending or otherwise imposing discipline upon Certified
23 Public Accountant Certificate No. 50152, issued to Dawn E. Diaz a.k.a. Dawn E. Parrish.

24 2. Ordering Dawn E. Diaz to pay the California Board of Accountancy the
25 reasonable costs of the investigation and enforcement of this case, pursuant to Business and
26 Professions Code section 5107;

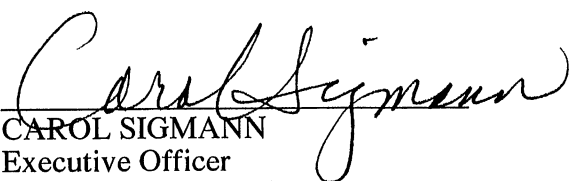
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3. Taking such other and further action as deemed necessary and proper.

DATED: July 31, 2006


CAROL SIGMANN
Executive Officer
California Board of Accountancy
Department of Consumer Affairs
State of California

Complainant